

# 2New Jersey Department of Transportation QUALITY IMPROVEMENT ADVISORY

## CAPITAL PROGRAM SUPPORT

Director: Walt McGrosky.

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QIA No.: 051

Approved: Walt McGrosky  
Date: February 04, 2011

**Subject:** Cost Basis Approval for Professional Services

**Process Affected:**

☐ Scope ☒ Design ☐ Right of Way ☐ Utilities ☐ Environmental ☐ Historic ☒ Construction

**Bureaus Affected:**

Bureaus contracting Professional Services

**Procedure(s) Affected:**

Agreements and Modifications

**Nature of Issue(s):**

It has recently been discovered that design and construction contract modifications have included subconsultant "professional services" firms that are not Cost Basis Approved. Both Federally and State funded contracts must utilize firms which are cost basis approved.

**Recommendation(s):**

**NJDOT Contract Managers:**

Within two weeks of this Advisory, all existing contracts must be reviewed to determine if any firm is not cost basis approved. A list of **cost basis approved** firms and the cost basis approval process are located on Procurement's Professional Services website:

<http://www.state.nj.us/transportation/business/procurement/ProfServ/CostBasisApprov.shtm>

If you identify a firm currently under contract that is not cost basis approved, work is to stop immediately until the firm becomes cost basis approved. In addition, please email the Project name, agreement number and firm name to Carmen Iantorno at [Carmen.Iantorno@dot.state.nj.us](mailto:Carmen.Iantorno@dot.state.nj.us)

Firms which do not become cost basis approved must be removed from the project and/or replaced.

**Prime Consultants:**

Ensure that proposed professional services firms (subconsultants) are cost basis approved prior to the closing date of the solicitation or modification proposal by checking the website cited above. These firms must be identified in the Subconsultant section of the proposal and **not** Direct Expense.

**Impact Assessment:**

☐ Schedule ☒ Quality ☐ Cost ☐ Scope

**Cost Impact:**

None

**Implementation: Immediate**